

Message Text

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S/S - MR. BRIDGES

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TO USDEL SECRETARY IMMEDIATE

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LIMDIS/FOR UNDER SECRETARY ROGERS FROM SORENSON

E.O. 11652: N/A

TAGS: EAGR, XG, EEC

SUBJECT: YEUTTER COMMENTS ON THE CAP

1. FOLLOWING IS THE SUBSTANCE OF TWO BRIEFING MEMOS FROM
SHLAUDEMAN REGARDING YEUTTER'S COMMENTS IN LATIN AMERICA ON
THE CAP:

2. WE HAVE LARGELY CONFIRMED FROMENT-MEURICE'S ACCOUNT OF
CLAYTON YEUTTER'S PITCH CONCERNING THE CAP IN MONTEVIDEO.

3. CLAYTON DENOUNCED THE CAP STRENUOUSLY IN BRASILIA,
BUENOS AIRES, MONTEVIDEO (TO THE URUGUAYANS AS WELL AS IN
THE SESSION WITH LAFTA), SAN JOSE AND CARACAS -- AT EVERY
STOP EXCEPT THE FIRST, BOGOTA.

4. CLAYTON'S USUAL APPROACH WAS THIS: WE DON'T LIKE SUB-
SIDIES, PARTICULARLY BY DEVELOPED COUNTRIES. ONE OF OUR
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HIGHEST PRIORITIES IN THE MTN IS AGRICULTURE. WE MUST HAVE

CHANGES IN THE EC SUBSIDIES AND VARIABLE LEVIES SYSTEM.
YOU AND WE HAVE A COMMON INTEREST IN CHANGING THE CAP. WE
MUST PUT A LOT OF PRESSURE ON THE EC. YOU SHOULD JOIN US
IN DOING SO.

5. CLAYTON PUT THE RESPONSIBILITY ON THE FRENCH. HE
SUGGESTED THERE WERE DIVISIONS IN THE EC, THAT THE GERMANS,
DUTCH AND BRITISH WERE HAVING SECOND THOUGHTS ABOUT THE
CAP. HE SAID WE MUST WRAP UP THE MTN IN 1977, BECAUSE THE
FRENCH WILL BE HAVING ELECTIONS IN 1978 AND WILL BE EVEN
LESS MOVABLE.

6. EMBASSY MONTEVIDEO FORWARDED PRESS CLIPPING ON YEUTTERS
COMMENTS BEFORE LAFTA, WHICH OTHER PARTICIPANTS RECALL TO
BE ACCURATE:

7. QUOTE: AGRICULTURAL PRODUCTION IS EFFICIENT IN THE
U.S., CANADA, AND LATIN AMERICA, BUT NOT SO MUCH IN
EUROPE. IN MANY COMMUNITY COUNTRIES, IT IS UNECONOMICAL
AND IS MAINTAINED BY SUBSIDIES AND GOVERNMENT ASSISTANCE.
THE POLICY OF SUBSIDIES BY THE COMMUNITY IS EXCELLENT --
EXCELLENT FOR THE COMMUNITY, AND HORRIBLE FOR THE REST OF
THE WORLD. WE WOULD LIKE FOR THE COMMON MARKET TO ELIM-
INATE THESE SUBSIDIES BUT THERE IS CONSIDERABLE INTERNAL
INTEREST IN CONTINUING THEM. FRANCE IS THE PROBLEM, I
WOULD SAY, IN AGRICULTURAL QUESTIONS; ONE ALWAYS HAS TO
NEGOTIATE WITH THEM ON THIS SUBJECT. BUT THERE ARE ALSO
EXTERNAL INTERESTS SEEKING A CHANGE IN THE POLICY.
PRESSURE MUST BE APPLIED, AND NOT ONLY BY THE U.S.,
CANADA AND AUSTRALIA BUT ALSO BY ALL INTERESTED LATIN
AMERICAN COUNTRIES; WITH COMBINED PRESSURE BY A NUMBER OF
COUNTRIES, I BELIEVE WE CAN BE SUCCESSFUL. AFTER ALL,
THEY WILL NOT BE ABLE TO RESIST FOREVER . . . IN THE
AGRICULTURAL AREA, WE HAVE MANY COMMON INTERESTS WITH
LATIN AMERICA, AND WE HAVE HAD MORE DISCUSSIONS AND
DIFFERENCES WITH THE COMMUNITY THAN WITH ANY OTHER COUN-
TRY IN THE WORLD, INCLUDING THE SOVIET UNION . . . END
QUOTE.

8. SEPTTEL REPEATS GENEVA 7292, INDICATING FRENCH INTEND
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TO RAISE ISSUE OF YEUTTER'S COMMENTS WITH THE SECRETARY.
ROBINSON

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